



AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2219, MCA, is amended to read:

"7-8-2219. Exchange or donation of county land in case of -- failure to make sale. (1) If within 1 year ~~no immediate sale be had of~~ real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220 ~~is not sold~~, the board of county commissioners may make trades or exchanges of ~~such the~~ real estate owned by the county for any other ~~lands~~ land or real estate of equal value located within the same county.

(2) In lieu of the procedure in subsection (1), the board of county commissioners may donate the land or sell the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(3) Land that is transferred pursuant to subsection (2) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 2. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Disposal of county tax-deed land. (1) Whenever the county acquires land by tax deed, it is the duty of the board of county commissioners, within 6 months after acquiring title, to enter an order to:

- (a) sell the land at public auction;
- (b) donate the land to a municipality, as provided in subsection (3), if the land is within the incorporated boundaries of the municipality;
- (c) donate the land or sell the land at a reduced price to a ~~nonprofit~~ corporation as provided in subsection (3); or
- (d) retain the land for the county as provided in subsection (3).

(2) When tax-deed land is to be sold, the sale may not be made for a price less than the sales price determined and fixed by the board prior to making the order of sale. The sales price may be set in an amount sufficient to recover the full amount of taxes, assessments, penalties, and interest due at the time the tax deed was issued to the county plus the county's costs in taking the tax deed and in conducting the sale and additional taxes due, if any, at the time of the sale.

(3) A board of county commissioners may, upon expiration of the repurchase period provided for in 7-8-2303:

- (a) sell the land as provided in subsections (2) and (4);
- (b) donate the land to a municipality with the consent of the municipality;
- (c) donate the land or sell the land at a reduced price to a ~~nonprofit~~ corporation for the purpose of constructing:
 - (i) a multifamily housing development operated by the corporation for low-income housing;
 - (ii) single-family houses. Upon completion of a house, the ~~nonprofit~~ corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.
 - (iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the ~~nonprofit~~ corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the ~~nonprofit~~ corporation, including the sale, lease, rental, or other use of the donated land and improvements;
- (d) retain the land for the county pursuant to 7-8-2501.

(4) If bids are not received at a sale of tax-deed land, the board shall order another auction sale of the

land under this part within 6 months and may, if required by the circumstances, redetermine the sales price of the land determined under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were not any qualifying bids for the land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the sales price that was fixed for the original auction under subsection (1)(a).

(5) If a bid is not received at the sale conducted under subsection (4), the board may dispose of the land as provided in 7-8-2218.

(6) Notwithstanding the amount of the sales price fixed by the board prior to the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, the taxes, assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of repurchase.

(7) Land that is transferred pursuant to subsection (3)(c) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 3. Section 7-8-2308, MCA, is amended to read:

"7-8-2308. Sale or donation of ~~lands~~ land of less than fifty dollar valuation and other than tax-deed ~~lands~~ land. (1) Property belonging to the county of the value of less than \$50 and property of the county acquired by means other than by tax deed may be:

(a) sold as provided by 7-8-2211 through 7-8-2220 and, except so far as they. Except to the extent that those sections may conflict with the provisions of this part, 7-8-2211 through 7-8-2220 shall remain in force and effect. Nothing herein contained shall This section may not be construed as repealing 7-8-2401 through 7-8-2403.

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) Land that is transferred pursuant to subsection (1)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 4. Section 7-8-2402, MCA, is amended to read:

"7-8-2402. Disposal of land and timber acquired by county pursuant to exchange agreement with United States. (1) Any timber acquired from the United States in any exchange may be disposed of by the county commissioners by agreement with the United States department of agriculture that ~~such the~~ timber ~~shall~~ must be cut and removed by any agency selected by the United States department of agriculture, with the understanding that the stumpage payments for timber ~~so~~ cut will be paid over to the county in cash as full compensation for the county land exchanged to the United States. The amount of ~~such the~~ stumpage payments; ~~so paid over, shall~~ must equal the appraised value of the county land exchanged for ~~same~~ timber, and ~~such the~~ cash payments ~~shall~~ must be deposited in the county treasury for the use of the county.

(2) All land and all timber not subject to the arrangement authorized in subsection (1) and acquired by the county under the provisions of this part may be:

(a) sold by the board of county commissioners in the manner provided by law for the sale of county property, and the proceeds of ~~such the~~ sale ~~shall~~ must be deposited in the county treasury for the use of the county; or

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use

of the donated land and improvements.

(3) Land that is transferred pursuant to subsection (2)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 5. Section 7-8-2502, MCA, is amended to read:

"7-8-2502. Application of part. (1) Any ~~lands~~ land offered for sale by the county commissioners of any county pursuant to 7-8-2301 and not sold at the sale, any ~~lands~~ land classified for retention by the county, any ~~lands~~ land concerning which the preferential right to purchase has been terminated and barred pursuant to the provisions of 7-8-2303, and any other ~~lands~~ land owned by the county, however acquired, may, in the discretion and at the election of the board, be:

(a) administered by the board under this part; or

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) The board may in its discretion elect to exercise any of the powers and authority granted to it by this part, and to the extent that the board elects, the provisions of this part are controlling and supersede all conflicting provisions of other laws.

(3) The sale, exchange, lease, donation, or issuance of licenses and permits of county ~~lands~~ land as provided in this part extends only to ~~these lands~~ land not necessary to the conduct of the county's business.

(4) Land that is transferred pursuant to subsection (1)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 6. Section 7-8-2504, MCA, is amended to read:

"7-8-2504. Classification of county ~~lands~~ land. The board may:

- (1) establish criteria for the classification of the ~~lands~~ land referred to in 7-8-2502(1)(a);
- (2) classify ~~such lands~~ the land, surface and subsurface, for retention or disposal and for ~~such~~ purposes and uses ~~as that~~ the board may determine are in the best interests of the county and for the public benefit and welfare; ~~and in so doing~~ In classifying the land, the board shall consider the multiple-use potential of ~~said lands~~ the land and the potential of ~~said lands~~ the land as access to other intermingled or adjacent multiple-use ~~lands~~ land or areas."

Section 7. Section 7-8-4201, MCA, is amended to read:

"7-8-4201. Disposal or lease of municipal property. (1) Subject to the provisions of subsection (2), the city or town council may sell, dispose of, donate, or lease any property belonging to the city or town.

(2) (a) Except for property described in subsection (3), the lease, donation, or transfer must be made by an ordinance or resolution passed by a two-thirds vote of all the members of the council.

(b) Except for property acquired by tax deed or property described in subsection (3), if the property is held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the municipality voting at an election called for that purpose. The election must be held in conjunction with a regular or primary election.

(3) If a city or town owns property containing a historically significant building or monument, the city or town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the property. The contract for the transfer of the property must contain a provision that:

(a) requires the property to be preserved in its present or restored state upon any subsequent transfer; and

(b) provides for the reversion of the property to the city or town for noncompliance with conditions attached to the transfer.

(4) This section may not be construed to abrogate the power of the board of park commissioners to lease all lands owned by the city that were acquired for parks within the limitations prescribed by 7-16-4223.

(5) A city or town may donate land or sell the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 8. Section 7-15-4262, MCA, is amended to read:

"7-15-4262. Disposal of municipal property in urban renewal areas. (1) A municipality may:

(a) sell, lease, or otherwise transfer real property in an urban renewal area or any interest ~~therein~~ in real property acquired by it for an urban renewal project for residential, recreational, commercial, industrial, or other uses or for public use and enter into contracts with respect ~~thereto~~ to the real property; or

(b) retain ~~such the~~ property or interest only for parks and recreation, education, public transportation, public safety, health, highways, streets and alleys, administrative buildings, or civic centers, in accordance with the urban renewal project plan and subject to ~~such any~~ covenants, conditions, and restrictions, including covenants running with the land, ~~as that it may deem to be~~ considers necessary or desirable to assist in preventing the development or spread of blighted areas or otherwise to carry out the purposes of this part.

(2) ~~Such The~~ sale, lease, other transfer, or retention and any agreement relating ~~thereto~~ the real property may be made only after the approval of the urban renewal plan by the local governing body.

(3) ~~Such~~ Except as provided in subsection (5), the real property or interest ~~shall~~ must be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan. In determining the fair value of real property for uses in accordance with the urban renewal plan, a municipality shall take into account and give consideration to the:

(a) uses provided in ~~such the~~ plan;

(b) ~~the~~ restrictions upon and the covenants, conditions, and obligations assumed by the purchaser or lessee or by the municipality retaining the property; and

(c) the objectives of such the plan for the prevention of the recurrence of blighted areas.

(4) Real property acquired by a municipality which, in accordance with the provisions of the urban renewal plan, is to be transferred ~~shall~~ must be transferred as rapidly as feasible, in the public interest, consistent with the carrying out of the provisions of the urban renewal plan.

(5) A transfer under this section may include a donation of the land or a sale of the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 9. Effective date. [This act] is effective July 1, 2009.

- END -

I hereby certify that the within bill,
HB 0623, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.

HOUSE BILL NO. 623
INTRODUCED BY M. MILBURN

AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE.